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CONFIDENTIAL SETTLEMENT AGREEMENT

This Confidential Settlement Agreement (the "*Agreement*") is entered into as of this 11th day of March, 2022 ("*Effective Date*") by and between the National Rifle Association of America and Ackerman McQueen, Inc., Mercury Group, Inc., Henry Martin, William Winkler, and Melanie Montgomery (collectively, the "*Parties*" or individually, a "*Party*").

DEFINITIONS

It is agreed to by the Parties that, in addition to terms defined elsewhere in this Agreement, the following terms shall have the following meanings and scope for purposes of this Agreement:

"*NRA*" means the National Rifle Association of America, and the respective rights and obligations shall be defined to include, be binding on, and benefit, any and all of its past, present and future named and unnamed parents, divisions, subsidiaries, affiliates, related companies, associates, owners, shareholders, representatives, directors, agents, partners, principals, officers, executives, employees, representatives, trustees, claims administrators, third-party administrators, sureties, insurers, reinsurers and representatives of any of them, and their attorneys and all persons acting by or on behalf of any of them, including any of their respective heirs, executors, administrators, successors, assigns, and any financing entities;

"*AMc*" means Ackerman McQueen, Inc., and the respective rights and obligations shall be defined to include, be binding on, and benefit, any and all of its past, present and future named and unnamed parents, divisions, subsidiaries, affiliates, related companies, associates, owners, shareholders, representatives, directors, agents, partners, principals, officers, executives, employees, representatives, trustees, claims administrators, third-party administrators, sureties, insurers, reinsurers and representatives of any of them, and their attorneys and all persons acting by or on behalf of any of them, including any of their respective heirs, executors, administrators, successors, assigns, and any financing entities;

"*Mercury Group*" means Mercury Group, Inc., and the respective rights and obligations shall be defined to include, shall be binding on, and benefit to, any and all of its past, present and future named and unnamed parents, divisions, subsidiaries, affiliates, related companies, associates, owners, shareholders, representatives, directors, agents, partners, principals, officers, executives, employees, representatives, trustees, claims administrators, third-party administrators, sureties, insurers, reinsurers and representatives of any of them, and their attorneys and all persons acting by or on behalf of any of them, including any of their respective heirs, executors, administrators, successors, assigns, and any financing entities;

"*Winkler*" means William Winkler individually and the respective rights and obligations shall be defined to include, shall be binding on, and of benefit to any and all of his respective heirs, executors, administrators, successors and assigns;

"*Montgomery*" means Melanie Montgomery individually and the respective rights and obligations shall be defined to include, shall be binding on, and of benefit to any and all of her respective heirs, executors, administrators, successors and assigns;

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“*Martin*” means Henry Martin individually and the respective rights and obligations shall be defined to include, shall be binding on, and of benefit to any and all of his respective heirs, executors, administrators, successors and assigns;

“*Ackerman Parties*” collectively refers to AMc, Mercury Group, Winkler, Martin, and Montgomery;

“*NRA/AMc Litigation*” means the following lawsuits:

1. *National Rifle Association of America v. Ackerman McQueen, et al.*, Case No. 3:19-cv-02074-G, pending in the Northern District of Texas;
2. *National Rifle Association of America v. Ackerman McQueen, et al.*, Case No. CL19002067, in the Circuit Court for the City of Alexandria, Virginia;
3. *National Rifle Association of America v. Ackerman McQueen, et al.*, Case No. CL19001757, in the Circuit Court for the City of Alexandria, Virginia;
4. *National Rifle Association of America v. Ackerman McQueen, et al.*, Case No. CL19002886, in the Circuit Court for the City of Alexandria, Virginia;

“*Loesch Arbitration*” means the arbitration styled: *Dana Loesch v. Ackerman McQueen, Inc.*, JAMS Ref. No. 1335000082;

“*Loesch Settlement*” means the settlement as described in paragraph number one (1) below in this Agreement;

“*Services Agreement*” means the Services Agreement by and between the NRA, AMc, and Mercury Group, dated April 30, 2017, as amended on May 6, 2018;

“*NRA Bankruptcy*” means the matters (1) *In re Sea Girt LLC*, Docket No. 21-30080-hdh11, in the U. S. Bankruptcy Court for the Northern District of Texas; and (2) *In re National Rifle Association of America*, Docket No. 21-30085-sgj11, in the U. S. Bankruptcy Court for the Northern District of Texas;

“*Cox Arbitration*” means the arbitration styled: *Christopher Cox v. National Rifle Association*, CPR Case Number: G-21-05-S;

RECITALS

WHEREAS, the Parties are currently engaged in the NRA/AMc Litigation;

WHEREAS, AMc is the respondent in the Loesch Arbitration;

WHEREAS, while denying any liability for claims asserted against them, the Parties acknowledge that bona fide disputes and controversies exist between them, both as to liability and the amount thereof, arising out of the services provided by the Ackerman Parties to the NRA,

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including but not limited to disputes and controversies with respect to the Services Agreement (the “*Services*”), the NRA/AMc Litigation, and the Loesch Arbitration; and

WHEREAS, the Parties wish to compromise and settle all disputes and claims arising out of or related to the Services, the NRA/AMc Litigation, the Loesch Arbitration, and the facts and circumstances that form the basis of the respective parties claims in the NRA/AMc Litigation and the Loesch Arbitration.

AGREEMENT

1. **Loesch Settlement.** The NRA has agreed to fund a settlement of the claims held by Dana Loesch against AMc arising from the Loesch Arbitration (the “*Loesch Settlement*”).

2. **Settlement Funds.** The NRA agrees to make a payment to DORSEY & WHITNEY LLP as attorneys and on behalf of the Ackerman Parties in the total amount of Twelve Million Two Hundred Fifty Thousand Dollars (\$12,250,000.00) (the “*Settlement Funds*”). The NRA agrees to wire the Settlement Funds to the following DORSEY & WHITNEY LLP designated trust account no later than March 16, 2022:

U.S. Bank National Association
800 Nicollet Mall
Minneapolis, MN 55402
ABA Routing Number: 091000022
Account Number: 1602-3010-8765
Account Name: Dorsey & Whitney LLP Trust Account
Message: Ackerman McQueen – 503967

3. **Return of Property.** The Ackerman Parties agree to return the NRA’s tangible and intangible property (the “*NRA Property*”), including but not limited to its files, books and records, whether in hard copy form, electronic form, or residing on any electronic platforms utilized by the Ackerman Parties, including originals and all copies in possession of the Ackerman Parties. This agreement applies to all NRA Property in the possession of the Ackerman Parties with respect to the NRA/AMc Litigation, the Loesch Arbitration, the NRA Bankruptcy and the Cox Arbitration. The Parties agree to cooperate and coordinate the return of the NRA Property to the NRA, and the Ackerman Parties further agree to work diligently in order to return the NRA Property once the NRA has identified same.

4. **Mutual Releases.** In consideration of the Settlement Funds, the Loesch Settlement, the Return of Property, and the mutual promises contained in this Agreement, the NRA and the Ackerman Parties hereby fully, finally, irrevocably, and unconditionally release and forever discharge and covenant not to sue one another of and from any and all claims, allegations, duties, causes of action, lawsuits, proceedings, contracts, demands, obligations, liabilities, rights, damages, costs, fees, or expenses, equitable or declaratory relief of any kind or nature, including but not limited to any claim or cause of action for breach of contract, tort, contribution, indemnity, subrogation, bad faith, unfair claims handling practices under statute or common law, extra-contractual damages, and/or punitive damages, whether presently known or unknown, suspected or unsuspected, past, present or future which the parties had, now have or hereafter can, shall or

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may, have for, upon, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this Release including, but not limited to claims that arise out of, relate to, or are in any way connected to the services provided by the Ackerman Parties to the NRA, including but not limited to with respect to the Services, the NRA's activities in connection with the Services, the NRA/AMc Litigation, the Loesch Arbitration, the facts and circumstances that are connected to or form the basis of the respective parties claims in the NRA/AMc Litigation and the Loesch Arbitration, or that arise out of any agreement, act, omission, occurrence, transaction, or matter up to and including the date of this Agreement. **FOR THE AVOIDANCE OF DOUBT, THIS AGREEMENT DOES NOT RELEASE THE NRA'S PENDING OR FUTURE CLAIMS AGAINST ATTORNEY MARK DYCIO.**

5. **Dismissal of Litigation.** Within five (5) calendar days of receipt of the Settlement Funds, the Parties shall file or cause to be filed the appropriate dismissal documents in the NRA/AMc Litigation, with prejudice, dismissing the NRA/AMc Litigation and/or jointly requesting that the Court dismiss the NRA/AMc Litigation. The Parties will cooperate to ensure that the Loesch Arbitration is also dismissed with prejudice.

6. **Confidentiality.** The Parties acknowledge and agree that this Agreement, its terms, and the negotiations leading hereto shall be deemed confidential and may not be disclosed beyond legal counsel and accountants, auditors, insurers or reinsurers, claims administrators, lenders, affiliates, parent companies, and directors, owners, officers, and/or employees of the Parties on a need-to-know basis, except as necessary for: (a) tax or audit purposes; (b) reinsurance; (c) to enforce the terms and conditions of this Agreement; (d) any financing entities; and (e) as otherwise required by law or regulation. Any Party served with a subpoena, discovery request, or other similar legal instrument that could lead to disclosure of the terms of this Agreement shall provide reasonable notice of same to the other Parties, which have the right to move to quash said subpoena or discovery request. In furtherance of this confidentiality agreement, the Parties shall not file this document in any proceeding, even any proceeding to enforce the terms herein, without first seeking leave of Court to do so under seal or with full consent of the other Parties hereto. The Parties agree that for any claims brought pursuant to this paragraph, damages are presumed. Subject to the above, the Parties agree that the only written statement, oral statement or media statements to be issued by the Parties shall be that: **"The NRA and Ackerman McQueen have resolved their disputes. Therefore, all litigation matters between them are concluded."** No other statements shall be made by the Parties concerning the NRA/AMc litigation and/or the Loesch Arbitration.

7. **Binding Effect.** This Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the Parties and their respective heirs, agents, successors, legal representatives, and assigns.

8. **Representations and Warranties.** The Parties hereby represent and warrant that the following statements are true, complete and correct as of the date hereof: (i) The execution, delivery and performance of this Agreement has been authorized by the Parties; (ii) the Parties have not assigned or transferred to any person, entity or party the claims which they may have against the Ackerman Parties, the NRA, or released in this Agreement and the Parties are the sole parties in interest with respect to the claims about which this Agreement and Release is being made; (iii) there have been no statements, representations, promises, undertakings or inducements made to the Parties or any other person, that has induced the Parties to enter into and/or execute

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this Agreement; (iv) the Parties are entering and have entered into this Agreement voluntarily and entirely of their own free will accord and volition without any pressure or undue influence whatsoever by any individual including, but not limited to, their attorneys and/or the Ackerman Parties, the Ackerman Parties' Counsel, the NRA, and/or the NRA's counsel; and (v) the Parties have authority to execute this Agreement, and have read this Agreement, understand all of the terms and provisions set forth herein, and have knowingly, with a complete understanding of the terms and provisions herein, affixed their signatures to this Agreement.

9. **No Admission of Liability.** This Agreement is intended to be, and is solely, a commercial accommodation between the Parties with respect to the services provided by the Ackerman Parties to the NRA, including but not limited to with respect to the Services, the NRA/AMc Litigation, and the Loesch Arbitration. It is specifically understood and agreed that this Agreement shall not be construed as an admission of any liability, duty, or obligation relating to the services provided by the Ackerman Parties to the NRA, including but not limited to with respect to the Services, the NRA's activities in connection with the Services, the NRA/AMc Litigation, the Loesch Arbitration, and the Loesch Settlement.

10. **Authority.** The Parties declare and represent that they entered into this Agreement after consultation with their attorneys and intend to be legally bound hereby, and the person who signs this Agreement on behalf of a Party is duly authorized to bind that respective Party.

11. **Execution of this Agreement.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, all of which shall be considered and constitute one and the same instrument. Signatures by facsimile or electronic imaging shall be deemed to constitute original signatures.

12. **Covenant Not to Sue.** The Parties hereby irrevocably covenant to refrain from asserting any claim or demand, or commencing, instituting or causing to be commenced, any proceeding, claims, legal action or lawsuit of any kind against any person released hereby, based upon any matter released hereby. Without in any way limiting any of the rights and remedies otherwise available to any person released hereby, each releasing person, jointly and severally, shall indemnify and hold harmless each person released hereby from and against all loss, liability, claim, damage (including incidental and consequential damages) or expense (including costs of investigation and defense and reasonable attorney's fees), claims, arising directly from or in connection with the assertion by or on behalf of such releasing party of any claim or other matter purported to be released hereby asserted by any of the Parties against the other. This indemnification provision is and shall be construed as a prevailing party clause which shall entitle the released party in any litigation commenced against it by a releasing party to an award of any and all costs of litigation including but not limited to reasonable attorneys' fees.

12. **AMc's Liability with Respect to Taxes.** Any taxes, or interest or penalties on taxes, on any portion of the Settlement Funds shall be the sole and complete responsibility of the Ackerman Parties, and the Ackerman Parties shall have no claim, right, or cause of action against the NRA or its Counsel on account of such taxes, interest, or penalties.

13. **Disposition of Protected Material.** The Parties acknowledge their obligations to comply with the Protective Orders issued in the NRA/AMc Litigations, including but not limited

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to (a) the Protective Order dated October 8, 2019 issued in *National Rifle Association of America v. Ackerman McQueen, et al.*, Case No. CL19002067, in the Circuit Court for the City of Alexandria, Virginia and (b) the Protective Order dated June 22, 2020 issued in *National Rifle Association of America v. Ackerman McQueen, et al.*, Case No. 3:19-cv-02074-G, pending in the Northern District of Texas.

No later than two (2) calendar days after the payment of the Settlement Funds, the Ackerman Parties and DORSEY & WHITNEY LLP shall each certify in writing that they are in compliance with the provisions in the Protective Order issued in the NRA Bankruptcy (*see* NRA Bankruptcy Docket No. 386, ¶ 14).

No later than two (2) calendar days after the payment of the Settlement Funds, the Ackerman Parties and DORSEY & WHITNEY LLP shall each certify in writing that they have returned to the NRA all information in their possession concerning the Cox Arbitration and destroyed all copies in their possession.

14. **Miscellaneous.**

a. This Agreement contains the entire understanding and agreement of the Parties hereto with respect to the settlement of this Action and any and all claims, actions, causes of action or disputes between them, and all prior negotiations, discussions, understandings and agreements among the Parties with respect to this action and the subject matter hereof. No change, waiver, amendment, supplement or modification of this Agreement shall be valid unless the same shall be in writing and signed by all of the Parties hereto.

b. This Agreement may be executed in one or more counterparts, all of which taken together shall be deemed one original. A facsimile or electronically mailed copy of this Agreement may be used in lieu of the original.

c. It is expressly agreed and understood that the language of this Agreement shall not be presumptively construed against any of the Parties hereto.

d. If a court holds any provision of this Agreement or its application to any person, entity or circumstance invalid, illegal or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities or circumstances other than those to which it was held to be invalid, illegal or unenforceable, shall not be affected, and shall be valid, legal and enforceable to the fullest extent permitted by law, but only if and to the extent such enforcement would not materially and adversely frustrate the Parties' essential objectives as expressed in this Agreement. Furthermore, in lieu of any such invalid or unenforceable term or provision, the Parties intend that the court add to this Agreement a provision as similar in terms to such invalid, illegal or unenforceable provision as may be valid and enforceable, so as to affect the original intent of the Parties to the greatest extent possible.

e. This Agreement shall be construed in accordance with and governed by laws of the State of Texas applicable to agreements made and performed wholly in that State and venue. In connection with any dispute which may arise under this Agreement, the Parties hereto hereby irrevocably submit to, consent to, and waive any objection to, the exclusive jurisdiction of the

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courts of the United States District Court for the Northern District of Texas, and waive any objection to the laying of venue in such court.

f. In the event that any Party hereto shall bring an action seeking damages for a breach of, or enforcement of, this Agreement, or any provision hereof, against any other Party hereto, any Party to such action ultimately prevailing as to the substantive issues raised in such action shall be entitled, in addition to any other remedies to which it may be entitled, to recover from all of the Parties to such action not so prevailing as to the substantive issues raised in such action, all fees and expenses of counsel retained by the prevailing Party in connection with such action.

g. The fact that the first or any subsequent draft of this Agreement was prepared by counsel for one of the Parties hereto shall create no presumptions, and specifically shall not cause any ambiguities that may exist in this Agreement to be construed against such Party.

h. The undersigned represent and warrant that they will execute and deliver any and all other instruments or documents that any of the undersigned may request that are necessary or proper in order to give effect to the terms and provisions of this Agreement and that the provisions of such instruments or documents shall in all respects be consistent with the terms of this Agreement. The undersigned agree to cooperate in good faith in connection with implementing the terms of this Agreement. If consent of any of the undersigned is required hereunder, it is agreed that such consent shall not be unreasonably withheld, conditioned or delayed.

i. Failure to enforce any provision of this Agreement shall not constitute a waiver of any term hereof. The waiver of any provision of this Agreement may only be affected by a writing signed by the Party against whom the waiver is sought to be enforced. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall any such waiver constitute a continuing waiver unless otherwise expressly so provided.

16. **Notices.** Any notice permitted or required to be given hereunder shall be sent by e-mail and certified mail to the Parties and their Counsel as provided below, or as may be changed from time to time by written notice as provided herein.

If to the NRA:

Cecelia L. Fanelli, Esq.
Brewer, Attorneys & Counselors
750 Lexington Avenue, 14th Floor
New York, NY 10022
Tel: (212) 489-1400
clf@brewerattorneys.com

with a copy to
Philip J. Furia, Esq.
pjf@brewerattorneys.com

If to the Ackerman Parties:

Brian E. Mason
DORSEY & WHITNEY LLP

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300 Crescent Ct, Suite 400
Dallas, TX 75201
Tel: (214) 981-9929
mason.brian@dorsey.com

[SIGNATURES ON THE FOLLOWING PAGES]

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THE PARTIES HAVE READ THE FOREGOING CONFIDENTIAL SETTLEMENT AGREEMENT CAREFULLY AND FULLY UNDERSTAND IT.

National Rifle Association of America

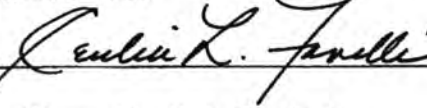
By: 

Printed Name: John Frazer, Esq.

Position/Title: Secretary; General Counsel

Date: March ¹⁴ 2022

Counsel for NRA

By: 

Printed Name: Cecelia L. Fanelli, Esq.

Position/Title: Partner
Brewer Attorneys & Counselors

Date: March ¹⁴ 2022

Ackerman McQueen, Inc.


By: 

Printed Name: William Winkler, CFO

Date: March 11, 2022

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Mercury Group, Inc.


By:  _____

Printed Name: William Winkler

Position/Title: Chief Financial Officer

Date: March 11, 2022

William Winkler

By:  _____

Printed Name: William Winkler

Date: March 11, 2022

Melanie Montgomery

By: _____

Printed Name: Melanie Montgomery

Date: March 11, 2022

Henry Martin

By: _____

Printed Name: Henry Martin

Date: March 11, 2022

Counsel for the Ackerman Parties

By: _____

Printed Name: Brian Mason, Esq.

Date: March 11, 2022

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Mercury Group, Inc.

By: _____

Printed Name: William Winkler

Position/Title: Chief Financial Officer

Date: March 11, 2022

William Winkler

By: _____

Printed Name: William Winkler

Date: March 11, 2022

Melanie Montgomery

By: Melanie Montgomery

Printed Name: Melanie Montgomery

Date: March 11, 2022

Henry Martin

By: _____

Printed Name: Henry Martin

Date: March 11, 2022

Counsel for the Ackerman Parties

By: _____

Printed Name: Brian Mason, Esq.

Date: March 11, 2022

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Mercury Group, Inc.

By: _____

Printed Name: William Winkler

Position/Title: Chief Financial Officer

Date: March 11, 2022

William Winkler

By: _____

Printed Name: William Winkler

Date: March 11, 2022

Melanie Montgomery

By: _____

Printed Name: Melanie Montgomery

Date: March 11, 2022

Henry Martin

By:  _____

Printed Name: Henry Martin

Date: March 11, 2022

Counsel for the Ackerman Parties

By:  _____

Printed Name: Brian Mason, Esq.

Date: March 11, 2022